CHAPTER 439

## **GOVERNMENT - COUNTY**

HOUSE BILL 22-1300

BY REPRESENTATIVE(S) Carver and Daugherty, Pico, Bacon, Benavidez, Bernett, Bird, Boesenecker, Caraveo, Cutter, Duran, Esgar, Exum, Froelich, Geitner, Gonzales-Gutierrez, Gray, Herod, Hooton, Jodeh, Kipp, Lindsay, Lynch, McCormick, McKean, McLachlan, Michaelson Jenet, Ortiz, Ricks, Roberts, Sirota, Snyder, Titone, Valdez A., Valdez D., Weissman, Young; also SENATOR(S) Fields and Gardner, Buckner, Danielson, Donovan, Ginal, Gonzales, Hansen, Hisey, Jaquez Lewis, Kirkmeyer, Kolker, Lee, Liston, Moreno, Pettersen, Priola, Rankin, Rodriguez, Smallwood, Sonnenberg, Story, Winter, Woodward, Fenberg.

## AN ACT

CONCERNING LOCAL ENFORCEMENT AGAINST HUMAN TRAFFICKING BY ALLOWING THE ADOPTION OF LOCAL ORDINANCES TO PREVENT HUMAN TRAFFICKING-RELATED OFFENSES IN ILLICIT BUSINESSES REPRESENTED AS MASSAGE BUSINESSES.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, add 30-15-401.4 as follows:

- **30-15-401.4.** Regulations to prevent the operation of illicit massage businesses legislative declaration definitions. (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:
- (I) ILLICIT MASSAGE BUSINESSES PRESENT A FACADE OF LEGITIMATE SERVICES, CONCEALING THAT THE PRIMARY BUSINESS IS THE SEX AND LABOR TRAFFICKING OF VICTIMS WHO ARE TRAPPED IN THESE BUSINESSES;
  - (II) HUMAN TRAFFICKING IS A GROWING PROBLEM THROUGHOUT COLORADO;
- (III) CITIES IN COLORADO ALREADY HAVE THE AUTHORITY TO ENACT ORDINANCES TO ESTABLISH LICENSING AUTHORITIES TO REGULATE MASSAGE BUSINESSES AND TO DETER AND SHUT DOWN ILLICIT MASSAGE BUSINESSES;
- (IV) COUNTIES IN COLORADO CURRENTLY DO NOT HAVE THE AUTHORITY TO ENACT ORDINANCES TO ESTABLISH LICENSING AUTHORITIES TO REGULATE MASSAGE BUSINESSES AND TO DETER AND SHUT DOWN ILLICIT MASSAGE BUSINESSES;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

- (V) It is critical for effective local enforcement against human trafficking that cities and counties work together against this increasing criminal activity;
- (VI) LOCAL LICENSING AUTHORITIES ARE ENCOURAGED TO REPORT TO THE DEPARTMENT OF REGULATORY AGENCIES INFORMATION REGARDING CRIMINAL ACTIVITIES INVOLVING LICENSED MASSAGE THERAPISTS;
- (VII) Most licensed massage therapists in Colorado are practicing lawfully and ethically; and
- (VIII) THE INTENT OF THE GENERAL ASSEMBLY IS NOT TO MAKE THE PRACTICE OF LAWFUL MASSAGE THERAPY MORE DIFFICULT FOR LICENSED MASSAGE THERAPISTS IN COLORADO.
- (b) The general assembly finds, therefore, that a county may adopt a local resolution or ordinance to establish business licensure requirements to regulate massage facilities or to regulate and prohibit unlawful activities for the sole purpose of deterring illicit massage businesses and preventing human trafficking.
  - (2) As used in this section, unless the context otherwise requires:
- (a) "Advertise" means to publish, display, or disseminate information and includes, but is not limited to, the issuance of any card, sign, or direct mail, or causing or permitting any sign or marking on or in any building or structure or in any newspaper, magazine, or directory, or any announcement or display via any televised, computerized electronic or telephonic networks or media.
- (b) "EROTIC PARLOR" MEANS A FACILITY THAT ENTICES CLIENTS THROUGH ADVERTISING OR OTHER BUSINESS PRACTICES DIRECTED TOWARDS SEXUAL DESIRE, LUST, OR PASSION.
- (c) "Fully clothed" means fully opaque, nontransparent material that must not expose an employee's genitalia or substantially expose the employee's undergarments.
- (d) "ILLICIT MASSAGE BUSINESS" MEANS A BUSINESS THAT MAY PROVIDE MASSAGE BUT ENGAGES IN HUMAN TRAFFICKING-RELATED OFFENSES, AS DESCRIBED IN SECTIONS 18-3-503 AND 18-3-504.
- (e) "Licensing authority" means the governing body of the board of county commissioners of a county, or any authority designated by county charter or county resolution.
- (f) "Massage" or "massage therapy" has the same meaning as defined in section 12-235-104 (4).
- (g) "Massage facility" means any place of business where massage therapy or full body massage is practiced or administered.

- (h) "Massage therapist" has the same meaning as defined in section 12-235-104 (5).
- (i) "Person" means a natural person, partnership, association, company, corporation, or organization or managing agent, servant, officer, partner, owner, operator, or employee of any of them.
- (j) "Solo practitioner" means a licensed massage therapist, as defined in section 12-235-104 (5), performing the practice of massage therapy independently.
- (k) "Table shower" means an apparatus for the bathing or massaging of a person on a table or in a tub.
- (3) (a) In addition to any other powers, a board of county commissioners may adopt a resolution or ordinance to establish business licensure requirements or to regulate and prohibit unlawful activities to prevent the operation of illicit massage businesses that engage in human trafficking-related offenses as described in sections 18-3-503 and 18-3-504. If a board of county commissioners adopts a resolution or ordinance to establish business licensure requirements pursuant to subsection (4) of this section or to prohibit unlawful activities pursuant to subsection (5) of this section, the resolution or ordinance must not be more restrictive than the requirements set forth in this section.
- (b) Counties that adopt a resolution or ordinance pursuant to this section shall consult with the cities within the county.
- (4) (a) If a board of county commissioners adopts a resolution or ordinance to establish business licensure requirements for massage facilities as set forth in subsection (3)(a) of this section, the business licensure requirements may only include:
- (I) REQUIRING THAT A MASSAGE FACILITY OBTAIN A LICENSE PRIOR TO OPENING FOR BUSINESS AND OPERATING AS A MASSAGE FACILITY;
- (II) Requiring a reasonable administrative fee not to exceed one hundred and fifty dollars for issuing or renewing licensure applications. The fee must not be based on the number of employees. This subsection (4)(a)(II) applies only to new businesses applying for a license or renewal on or after the effective date of this act. Businesses that hold a license before the effective date of this act are exempt from the administrative fees described in this subsection (4)(a)(II).
- (III) DESIGNATING A LICENSING AUTHORITY TO RECEIVE, REVIEW, APPROVE, OR DENY APPLICATIONS;
- (IV) Allowing a Licensing authority or a Licensing authority's designee to deny an application only if:
  - (A) THE REQUIRED ADMINISTRATIVE FEE IS NOT PAID;

- (B) THE COUNTY ZONING OR SUBDIVISION REGULATIONS DO NOT ALLOW FOR THE OPERATION OF A MASSAGE FACILITY;
- (C) The applicant has been convicted of or entered a plea of guilty or nolo contendere that is accepted by the court for a felony or misdemeanor for prostitution, as described in section 18-7-201; solicitation of a prostitute, as described in section 18-7-202; a human trafficking-related offense, as described in section 18-3-503 or 18-3-504; money laundering, as described in section 18-5-309; or similar crimes;
- (D) THE APPLICANT IS REGISTERED AS A SEX OFFENDER OR IS REQUIRED BY LAW TO REGISTER AS A SEX OFFENDER, AS DESCRIBED IN SECTION 16-22-103;
- (E) The applicant has a pending criminal action that involves or is related to the offenses described in subsection (4)(a)(IV)(C) or (4)(a)(IV)(D) of this section; or
- (F) The applicant has one or more previous revocations or suspensions of a license to operate a massage facility.
- (V) Allowing a licensing authority or a licensing authority's designee the discretion to deny an application after considering, in accordance with section 24-5-101, an applicant's conviction of or plea of guilty or nolo contendere that is accepted by the court for a felony or a misdemeanor for fraud or theft or embezzlement, as described in section 18-4-401;
- (VI) REQUIRING LICENSEES TO MAINTAIN A LIST OF EMPLOYEES ON SITE WITH THE START DATE OF EMPLOYMENT, FULL LEGAL NAME, DATE OF BIRTH, HOME ADDRESS, TELEPHONE NUMBER, AND EMPLOYMENT POSITION OF EACH EMPLOYEE;
- (VII) Requiring licensees and employees to have valid government identification, including but not limited to a form of identification described in section 24-21-521 (4)(a) and, for licensed massage therapists, a form of identification required for licensed massage therapists as described in section 24-34-107 (1), that must be immediately presented to a licensing authority or the licensing authority's designees upon request;
- (VIII) REQUIRING LICENSED MASSAGE THERAPISTS TO MAINTAIN COPIES OF VALID MASSAGE THERAPY LICENSURE, AS REQUIRED BY ARTICLE 235 OF TITLE 12, THAT MUST BE IMMEDIATELY PRESENTED TO A LICENSING AUTHORITY, THE LICENSING AUTHORITY'S DESIGNEES, OR LAW ENFORCEMENT UPON REQUEST;
- (IX) REQUIRING LICENSEES TO MAINTAIN A COMPLETE SET OF RECORDS, WHICH MAY INCLUDE ACCOUNTS, INVOICES, PAYROLL, EMPLOYMENT RECORDS, AND A LOG BOOK OF ALL MASSAGE THERAPY ADMINISTERED AT THE MASSAGE FACILITY. THE LOG BOOK MUST INCLUDE, BUT NEED NOT BE LIMITED TO, THE DATE, TIME, AND TYPE OF MASSAGE THERAPY ADMINISTERED, AND THE NAME OF THE MASSAGE THERAPIST ADMINISTERING THE MASSAGE THERAPY. THE LICENSEE SHALL RETAIN THE RECORDS IN THE LOG BOOK FOR A MINIMUM OF ONE YEAR FOLLOWING THE ADMINISTRATION OF MASSAGE THERAPY. LOCAL LAW ENFORCEMENT OR THE LICENSING AUTHORITY,

OR THE LICENSING AUTHORITY'S DESIGNEE, MAY INSPECT THE SET OF RECORDS DURING BUSINESS HOURS.

- (X) Designating the Licensing authority, or the Licensing authority's designees, responsible for the enforcement of the resolution or ordinance;
- (XI) SETTING PENALTIES FOR THE VIOLATION OF PROHIBITED ACTIVITIES AS DESCRIBED IN SUBSECTION (5) OF THIS SECTION; AND
- (XII) Granting a licensing authority, or licensing authority's designees, the authority to revoke or suspend a license for violating prohibited acts pursuant to subsection (5) of this section. A licensing authority, or the licensing authority's designees, may temporarily suspend a license with a hearing to be scheduled within fifteen days when the licensing authority finds:
- (A) THE LICENSEE WILLFULLY FAILED TO DISCLOSE ANY INFORMATION ON THE APPLICATION AS REQUIRED;
- (B) The Licensee knowingly permitted a person who does not hold a valid license pursuant to section 12-235-107 to perform massage therapy;
- (C) Apattern of activity that the massage facility is committing human trafficking-related offenses, as described in sections 18-3-503 and 18-3-504; and
- (D) THE LICENSEE FAILED TO PERMIT AN INSPECTION AT A TIME THE MASSAGE FACILITY WAS OPEN FOR BUSINESS.
- (b) The Licensing authority may issue a temporary massage facility license upon receipt of a completed massage facility license application involving the sale or change of ownership in a business. The temporary massage facility license is valid for thirty days, and the licensing authority shall renew the temporary massage facility license every thirty days until approval or denial of the massage facility license.
- (c) In investigating the fitness of any applicant, licensee, or employee or the agent of the licensee or applicant pursuant to subsection (4)(a)(III) of this section, the county sheriff's office shall conduct a background check on the applicant's or licensee's criminal history record and provide the local licensing authority, or the licensing authority's designee, information to determine whether the applicant or licensee is approved or denied for a license based on the criminal history record information. In the event the licensing authority takes into consideration information concerning the applicant's or licensee's criminal history record, the licensing authority shall also consider any information provided by the applicant or licensee regarding the criminal history, including, but not limited to, evidence of mitigating factors, rehabilitation, character references, and educational achievements, especially the mitigating factors pertaining to the period of time between the applicant's last

CRIMINAL CONVICTION AND THE CONSIDERATION OF THE APPLICANT'S APPLICATION FOR A LICENSE OR RENEWAL.

- (d) A LICENSING AUTHORITY, OR THE LICENSING AUTHORITY'S DESIGNEE, MAY REPORT INFORMATION TO THE DEPARTMENT OF REGULATORY AGENCIES REGARDING CRIMINAL ACTIVITY INVOLVING A LICENSED MASSAGE THERAPIST.
- (5) A BOARD OF COUNTY COMMISSIONERS MAY ADOPT A RESOLUTION OR ORDINANCE TO PROHIBIT ACTIVITIES TO PREVENT THE OPERATION OF ILLICIT MASSAGE BUSINESSES THAT ENGAGE IN HUMAN TRAFFICKING-RELATED OFFENSES AS DESCRIBED IN SECTIONS 18-3-503 AND 18-3-504. PROHIBITED ACTIVITIES INCLUDE:
- (a) Allowing a person who does not hold a massage therapy license pursuant to section 12-235-107 to perform massage in a massage facility;
- (b) ADVERTISING TO A PROSPECTIVE CLIENT THAT SERVICES, INCLUDING PROSTITUTION, SEXUAL ACTS, ESCORT SERVICES, SEXUAL SERVICES, OR SERVICES RELATED TO HUMAN TRAFFICKING DISGUISED AS LEGITIMATE SERVICES, ARE AVAILABLE;
- (c) PERMITTING SEXUAL ACTS OR SEXUAL SERVICES WITHIN OR NEAR A MASSAGE FACILITY OR IN RELATION TO MASSAGE THERAPY;
- (d) Denying inspection of a massage facility by law enforcement or inspectors of a licensing authority;
- (e) Refusing, interfering with, or eluding immediate identification of employees of the massage facility to law enforcement or a licensing authority's appointed inspectors;
- (f) FAILING TO IMMEDIATELY REPORT TO LAW ENFORCEMENT ANY ACT OF SEXUAL MISCONDUCT OCCURRING IN A MASSAGE FACILITY;
- (g) Allowing an employee or contractor of a massage facility to provide massage therapy without being fully clothed;
- (h) REQUIRING CLIENT NUDITY AS PART OF A MASSAGE WITHOUT THE CLIENT'S PRIOR CONSENT;
- (i) Allowing a massage facility to be open and practicing massage therapy without a licensed massage therapist on the premises;
- (j) Permitting a person in a massage facility to make an agreement with an employee or contractor to engage in any prostitution-related offense in the massage facility or any other location;
- (k) Permitting a massage facility to be used for housing, sheltering, or harboring any person, or as living or sleeping quarters for any person; except that an owner and the owner's family members who operate a massage facility as a home business are exempt from the prohibited activity in this subsection (5)(k); and

- (1) OPERATING AN EROTIC PARLOR ON THE PREMISES OF A MASSAGE FACILITY.
- (6) (a) If authorized by the county resolution or ordinance, a law enforcement officer may follow the penalty assessment procedure described in section 16-2-201 for any violation. As part of the county ordinance or resolution authorizing the penalty assessment procedure, the board of county commissioners may adopt a graduated fine schedule for violations pursuant to subsection (5) of this section. The graduated fine schedule may provide for increased penalty assessments for repeat offenses by the same person.
- (b) The board of county commissioners may specify in the resolution or ordinance that a massage facility that engages in two or more violations of the resolution or ordinance is a public nuisance, as described in section 16-13-303, unless the violation is already a public nuisance, as described in section 16-13-303. The county attorney of such county, or the district attorney acting pursuant to section 16-13-302, may bring an action in the district court of the county for an injunction against the massage facility that violates the resolution or ordinance.
  - (7) A MASSAGE FACILITY DOES NOT INCLUDE:
- (a) Training rooms in public and nonpublic institutions of higher education, as defined in section 23-3.1-102 (5);
- (b) Training rooms of recognized professional or amateur athletic teams;
- (c) Offices, clinics, or other facilities in which medical professionals licensed by the state of Colorado, or any other state, provide massage services to the public in the ordinary course of the medical profession;
  - (d) MEDICAL FACILITIES LICENSED BY THE STATE;
- (e) Barber shops, beauty salons, and other facilities in which barbers and cosmetologists licensed by the state provide massage services to the public in the ordinary course of the profession;
- (f) Bona fide athletic clubs that are not engaged in the practice of providing massage therapy to the members or to the public for remuneration or if an athletic club does not receive more than ten percent of its gross income providing massages to the athletic club's members or to the public;
- (g) A place of business where a person offers to perform or performs massage therapy:
  - (I) For seventy-two hours or less in a six-month period; and
- (II) As part of a public or charity event in which the primary purpose is not to provide massage therapy; and

- (h) A place of business where a licensed massage therapist practices as a solo practitioner and:
  - (I) Does not use a business or assumed name; or
- (II) USES A BUSINESS OR ASSUMED NAME AND PROVIDES THE MASSAGE THERAPIST'S FULL LEGAL NAME OR LICENSE IN EACH ADVERTISEMENT, AND EACH TIME THE BUSINESS NAME OR ASSUMED NAME APPEARS IN WRITING; AND
  - (III) DOES NOT MAINTAIN OR OPERATE A TABLE SHOWER.

**SECTION 2.** In Colorado Revised Statutes, **add** 31-15-407 as follows:

- 31-15-407. Access to criminal history record information illicit massage businesses human trafficking definitions. (1) As used in this section, unless the context otherwise requires, "illicit massage business" means a business that may provide massage but engages in human trafficking-related offenses, as described in sections 18-3-503 and 18-3-504.
- (2) If acting under home rule authority, a municipality that adopts a resolution or ordinance to license a massage facility or prohibit activities to prevent the operation of illicit massage businesses that engage in human trafficking-related offenses, as described in section 30-15-401.4, the municipal police department shall conduct a background check on the applicant's or licensee's criminal history record and provide the municipality information to determine whether the applicant or licensee is approved or denied for a license based on the criminal history record information.
- **SECTION 3.** Act subject to petition effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 8, 2022